

Washington, DC — In 1998, Congress enacted the Internet Tax Freedom Act, which placed a three-year moratorium on state and local taxation of Internet access, as well as discriminator taxes on electronic commerce. Congress has twice extended its moratorium in 2001 and 2004. But with the Internet tax due to come back into force on November 1, Congressman Joe Sestak (D-PA) voted for extending a tax-free Internet until November 2014.

— “It was essential for the House to pass this bi-partisan bill before the November 1 deadline,” stated Congressman Sestak. “Both the House and Senate believe expanding the definition of Internet access was important in the constantly changing technology and telecommunications environment.”

Besides continuing the moratorium to 2011, the Internet Tax Freedom extended the phrase Internet access to include related communication services, such as e-mails and instant messaging, and redefine telecommunications to include unregulated non-utility telecommunications, such as cable service. This legislation will prevent taxation on newer and necessary Internet features that have evolved since the first 1998 moratorium.

This bill has been endorsed by a wide range of groups – including industry groups, such as the “Don’t Tax Our Web” coalition. The “Don’t Tax Our Web” coalition includes such companies as AT&T Inc., Comcast Corp., Time Warner and Verizon, and Internet giants Amazon.Com Inc., eBay Inc., and Yahoo! Inc.

“It is clear that the Internet will continue to evolve and present challenges in the technology and commerce sector. With the support of major Internet players, Congress has taken necessary steps to ensure the future of the Internet in the global economy, said Congressman Sestak.

The bill will be signed into law by the President before the November 1 deadline.

Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of “DeepBlue,” the Navy’s anti-terrorism unit that established strategic and operations policies for the “Global War on Terrorism.” He served as President Clinton’s Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the U.S. House of Representatives.